

REMARKS

The application now comprises claims 1-7. Non-elected Claims 8-14 have been cancelled without prejudice to pursuing those claims in a division or continuation-in-part application.

Claims 1-7 were rejected under 35 USC §112, second paragraph, as being indefinite in that in lines 3-4 of claim 1 "said CPU programmed for online electronic funds monitoring, said central CPU acting" is not clear. Also in claim 6, line 2 "has" should be --as--. Claims 1-3, 6 and 7 have been appropriately amended to correct the typographical errors identified by the examiner and to eliminate any indefiniteness due to incorrect punctuation, use of terms or antecedent basis. None of these amendments constitute new matter, or were made to avoid cited prior art and are submitted solely to clarify the claims and place the claims in better form for allowance. Claim 1 was also amended to make it clear that the Central Controller CPU is accessed by the system users and acts as the conduit for all of the funds transfer and related transaction information regarding that transfer.

While the Office Action specifically states that only Claim 1 is rejected under 35 USC §102(b) as being anticipated by Rosen1 (US Patent 5,455,407), since the examiner then recites portions of Rosen1 that allegedly show each of claims 2, 3 and 5 -7 applicant, for the purpose of this Response, will address each of claims 1-3 and 5 -7 as being rejected as shown by Rosen1 under 35 USC §102(b). The examiner has additionally rejected claims 4 and 6 under 35 USC §103(a) as being obvious based on Rosen1 as applied in regard to claims 1 and 3 in light of Rosen2 (US Patent 5,557,518). In regard to claim 4, the examiner finds that Rosen1 does not explicitly teach electronic and person assisted dispute resolution and customer support services but these claimed features are shown by Rosen2. The examiner provides no basis for the rejection of claim 6 under 35 USC §103(a). Irrespective thereof, the applicant will attempt to address the alleged obviousness of claim 6 based on Rosen1 and 2

Generally speaking the claimed invention is different from prior funds transfer systems in that it provides a central controller CPU which is accessed by the system users in order to consummate the funds transfer part of a business transaction. System users each first establish

an electronic money account (a CC Money Account) at their respective participating banks directly or by using the Central Controller CPU. They can then enter into a transaction such as set forth in the specification at page 13, line 23 – page 20, line 14 and illustrated by Examples 1 and 2, pages 20-22. Key to the claimed invention is that the system users that are parties to the transaction transact and consummate the funds transfer by each accessing the Central Controller CPU rather than each party communicating individually with their respective banks.

In contrast thereto the Rosen1 and 2 references are directed to prior procedures for handling electronic transfers of funds from one bank to another bank. The Rosen1 procedure is best illustrated by the example in Col 49 of Rosen1. Parties A and B have entered into a business transaction. For A to pay for the services or products provided by B, A must enter the transaction money module at the bank where A maintains her account (referred to as Bank A) and instruct bank A to transfer funds to the bank used by party B (i.e., Bank B). In order to receive the funds B must access the transaction money module at Bank B issue an "entitlement to receive payment" from A, acknowledge that an attempt is being made to pay the agreed to amount and indicate willingness to accept payment. This is totally different from the much simpler system claimed by applicant whereby both parties enter their relevant information into a single Central Controller CPU. Once Party B has entered the amount due and identified the location of his CC Money Account into the Central Controller CPU, Party A acknowledges to the central CPU that B has performed and enters instructions into the Central Controller CPU to transfer funds from his designated CC Money Account, the funds are automatically electronically debited from A's CC Money Account and credited to B's CC Money Account. All steps in the transaction can be performed at the Central Controller CPU.

Rosen2 adds a customer trusted agent and a merchant trusted agent which further complicates the system by inserted two additional entities to hold funds and hold products or services until both sides have completed their part and the exchange can be consummated. Again there is no central controller CPU. This is equivalent to retaining lawyers for each party for the purpose of dispute resolution. Nothing in Rosen2 shows or suggests a central controller CPU accessible by both parties to act as an intermediary in the transaction process.

Rosen1 fails to show or to even suggest the system claimed by applicant or provide a system with components operable in the manner claimed by applicant. Rosen2 fails to add the missing teaching. It is acknowledged that Rosen1 and 2 identify an electronic equivalency (representations) of deposited currency and that they allow various different kinds of payments to be made by electronic transfer. However, these are all one sided transactions between a user/buyer and his bank with the user/buyer instructing his bank to transfer funds out to a predesignated party or bank not much different in concept from writing a check or authorizing a bank to electronically transfer funds. There does not appear to be any component equivalent to applicant's central controller CPU or a single central controller CPU accessible by the system users who are parties to a transaction.

The CPU referred to at Col 10, lines 47-49 and col 12, lines 10-39 is not a central CPU; it is a personal CPU accessible by only one of the users. In the first instance it is a hand held entry device in possession of one of the users to enter his transaction information. In the second instance the referred-to passage addresses the program in the money module at the bank of one of the users. These are single user information devices and not a Central Controller CPU accessible by both parties to the transaction. The examiner also refers to that portion of claim 1 regarding encumbrancing of the electronic transfer until released by the seller. Col 11, lines 7-10 of Rosen1 refers to a transaction money module owned by the subscriber such as a communication device or a smart card which the user uses to transfer funds and tamper-resistant means on that device which prevents the user from tampering with the contents or components of the device. Col 35, lines 50-61 describes the Money Issued master file which resides in the computer of the users bank and reports which are generated to reflect the funds available at the end of specified reporting periods such as at the end of the day. Neither of these passages discusses, suggests or has any relevance to a means of encumbering the funds allocated for a transaction until released by the system user (i.e., the paying party). No other language in Rosen1 shows or suggests this feature of claim 1.

For Rosen1 to anticipate applicant's claim 1 each and every one of the limitations in that claim must be shown by Rosen1. Aside from the fact that Rosen1 relates to the transfer of

electronic equivalents of money on deposit in the account of a user, Rosen1 fails to show the specific features of applicant's claimed invention. In addition nothing in Rosen1 suggests the features and components of applicant's claimed system; as discussed above Rosen1 uses totally different means of transferring funds, does not show or suggest the system claimed by applicant and does not have the capability to function in the manner of applicant's claimed system. One of the principal differences between Rosen1 and applicant's claim is that Rosen1 does not show or suggest a central controller CPU accessed by both parties to the transaction; Rosen1 requires each participant to deal directly with their own bank which is a totally different concept.

It is respectfully submitted that claim 1 of applicant's application is patentably distinct from the cited prior art and therefore claims 2-7 dependent on claim 1 can not be anticipated or obvious based on Rosen1 or any combination of Rosen1 with another reference, particularly Rosen2. Irrespective thereof, in regard to the comments of the examiner as to claims 2-7 applicant responds as follows.

Claim 2 – Rosen1 does not show or suggest a new account module in communication with a central CPU because there is no central CPU. Rosen1 at most discloses means for a user to contact his bank, access his funds in his account and arrange for the issuance of an electronic equivalent of those funds. The money generator device referred to and mentioned only in the Abstract and Col 3, lines 44-45 is not further described but is believed to be a module at the user's bank that converts his money deposits to electronic money which is then recorded in a manner that can be used by a subscriber in a transaction. This would appear to be equivalent to a debit card with a record thereon of demand deposits and debits from those demand deposits. The transaction is conducted at a dedicated access point in the users bank and not thru any type of central controller CPU as set forth in claim 1.

Claim 3 –Again there is no central controller CPU accessibly by both parties to the transaction. Col 8, lines 12-23 and Col 10, lines 41-43 merely indicates that the user can utilize various different common communication means to contact his bank and access the appropriate computer system within his bank.

Claim 4 Again there is no central controller CPU in Rosen1 or 2 accessibly by both parties to the transaction. In accordance with applicant's claims, any dispute resolution relates to the information entered into the central controller CPU. While Rosen2 addresses dispute resolution it is in a totally different context and is an adversarial arrangement between the two separate bank electronic transfer systems and two separate trusted agents and not through a system with a Central Controller CPU accessed by both buyer and seller.

Claim 5- Again there is no central controller accessibly by both parties to the transaction. Rosen1 specifies only that the communication between the user and the user's bank, irrespective of the means used to communicate, may be encrypted.

Claim 6- Again there is no central controller accessibly by both parties to the transaction and therefore there is no central controller CPU that can function as an intermediary between the buyer and the seller or provide the transaction information and status to both the buyer and seller. Rosen1 in fact fails to show or suggest any component or combination of components of the system which provides "information services, a data link between users, a record of financial transactions, funds encumbrancing, encumbrances and un-encumbrancing" and which can "reconcile funds transfers on completion of a transaction to the satisfaction of the buyer and seller." Rosen2 adds nothing relative to these claimed features.

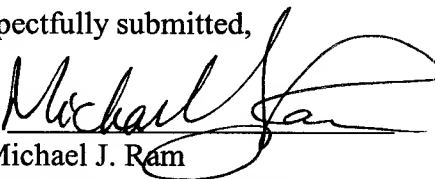
Claim 7- Again there is no central controller accessibly by both parties to the transaction and therefore there is no central controller CPU that will allow either of the parties to authorize further transfer of the electronic funds or goods to a further designated party. Rosen1, Col 5, 22-43 states that a user can instruct his bank to make a payment to a third party. This is no different then instructing a bank to pay, out of the account, by electronic transfer, a specified amount (i.e., electronic bill paying). Col 8, lines 24-29, indicates that a user can instruct his bank to make that payment when sufficient funds are available such as electronic funds received into the account from a third part. Claim 7 sets forth that a user can place instructions into the central controller CPU to immediately transfer the electronic funds when received or released to a designated third party. The funds never have to pass through an intermediate bank (the users bank) as required by Rosen1.

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Claims 1-7 remain in the application. It is respectfully submitted that these claims are patentable, fully supported by the Specification and not shown by the prior art. It is requested that the claims be found to be patentable and a Notice of Allowance be issued.

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